

Public Chapter 517

HOUSE BILL NO. 861

By Representatives Kisber, Caldwell, Lewis, McDaniel, Kent, Ralph Cole, Bittle, Ferguson

Substituted for: Senate Bill No. 628

By Senators Henry, Crowe, McNally, Gilbert, Atchley, Miller

AN ACT to create the Tennessee Technology Development Corporation and to amend Tennessee Code Annotated, Title 4.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 4, is amended by adding Sections 2 through 8 of this act as a new appropriately designated chapter.

SECTION 2. There is hereby established to carry out the purposes of this chapter a private not-for-profit corporation to be known as "the Tennessee Technology Development Corporation" and hereinafter as "the corporation".

SECTION 3. If the corporation satisfies the conditions imposed by Section 5 of this act and Title 48, Chapter 51, the corporation shall perform the functions enumerated in Section 6 of this act. Before delivering a charter to the Secretary of State for filing, the Department of Economic and Community Development shall conduct a public hearing for the purpose of giving all interested parties an opportunity to review and comment upon the charter, bylaws, and methods of operation of the corporation. Notice of the hearing shall be given at least thirty (30) days prior to the hearing by publishing a written advertisement of such hearing in newspapers of general circulation in Nashville, Memphis, Chattanooga, Knoxville and the Tri-Cities area.

SECTION 4.

(a) The corporation shall be governed by a Board of Directors consisting of seventeen (17) natural persons.

(b) Seven (7) members of the Board of Directors shall represent and be appointed from the private sector. Three (3) representatives of the private sector shall be appointed by the Governor, two (2) representatives shall be appointed by the Speaker of the House of Representatives, and two (2) representatives shall be appointed by the Speaker of the Senate.

(c) Seven (7) members of the Board of Directors shall represent and be appointed from the public sector. Three (3) representatives of the public sector shall be appointed by the Governor, two (2) representatives shall be appointed by the Speaker of the House of Representatives and two (2) representatives shall be appointed by the Speaker of the Senate. One (1) representative of the public sector appointed by the Governor shall be a person selected from a list of

three (3) citizens furnished by the Tennessee Municipal League or from a list of three (3) citizens furnished by the Tennessee County Services Association.

(d) The Commissioner of Economic and Community Development shall serve ex officio on the Board of Directors of the Corporation.

(e) Two (2) members of the Tennessee Science and Technology Advisory Council shall serve on the Board of Directors. The vice-chair of the council shall serve ex officio as one (1) of the two (2) members. The council shall elect the second board member from among its members who have been appointed to the council by either the Speaker of the House or the Speaker of the Senate. At least one (1) of the members appointed pursuant to this subsection shall be from the private sector.

(f) The corporation shall elect a chair, vice-chair, secretary and such other officers as it deems necessary from among its members.

(g) One (1) representative of the private sector and one (1) representative of the public sector appointed by the Governor shall initially serve a two (2) year term. One (1) representative of the private sector and one (1) representative of the public sector appointed by the Speaker of the House shall initially serve a two (2) year term. One (1) representative of the private sector and one (1) representative of the public sector appointed by the Speaker of the Senate shall initially serve a two (2) year term. One (1) representative of the private sector and one (1) representative of the public sector appointed by the Governor shall initially serve a three (3) year term. One (1) representative of the private sector appointed by the Speaker of the Senate and one (1) representative of the public sector appointed by the Speaker of the House shall initially serve a three (3) year term. One (1) representative of the private sector and one (1) representative of the public sector appointed by the Governor shall initially serve a four (4) year term. One (1) representative of the private sector appointed by the Speaker of the House and one (1) representative of the public sector appointed by the Speaker of the Senate shall initially serve a four (4) year term. After the initial appointments, all members shall serve four (4) year terms, except the Commissioner of Economic and Community Development who shall serve by virtue of his or her office and the two (2) members of the Tennessee Science and Technology Council who shall serve according to their respective terms on the council. Board members are eligible to serve successive terms if reappointed by the original authority.

(h) The Board of Directors shall appoint an executive committee of five (5) of its members to administer the day-to-day operations of the corporation. The Chair of the corporation shall also serve as the Chair of the Executive Committee.

(i) The Board of directors shall not meet more than eight (8) times in a calendar year. The Executive committee shall not meet more than four (4) times in a calendar year.

SECTION 5. The articles and bylaws shall provide that:

(1) The purposes of the corporation are to contribute to the strengthening of the economy of the State through the development of science and technology and to promote the development of Tennessee businesses by supporting the transfer of science, technology, and quality improvement methods to private and public enterprises;

(2) The corporation may receive money from any source, may borrow money, may enter into contracts, and may expend money for any activities appropriate to its purpose;

(3) The corporation may appoint staff and do all other things necessary or incidental to carrying out the functions listed in Section 6 of this act;

(4) Any changes in the articles of incorporation or bylaws shall be approved by the General Assembly;

(5) The corporation shall submit an annual report to the Governor and to the General Assembly, such report is due on the first day of November of each year and shall include detailed information on the structure, operation, and financial status of the corporation. The corporation shall conduct an annual public hearing to receive comments from interested parties regarding the report. Notice of such hearing shall be given at least thirty (30) days before the hearing; and

(6) The corporation is subject to an annual audit by the comptroller of the Treasury, and that the corporation shall bear the full costs of this audit.

SECTION 6. The corporation, after being certified by the Secretary of State, shall:

(1) Identify scientific and technological problems and opportunities related to the economy of Tennessee and seek resources to overcome such problems or realize such opportunities;

(2) Identify specific areas where scientific research and technological investigation would contribute to the improvement of productivity of Tennessee businesses and farmers;

(3) Determine specific areas in which financial investment in scientific and technological research and development from private businesses located in Tennessee could be enhanced or increased if State resources were made available to assist in financing activities;

(4) Assist in establishing cooperative associations of universities in Tennessee and private enterprises for the purpose of coordinating research and development programs that will, consistent with the primary educational function of the universities, aid in the creation of new products and jobs in Tennessee;

(5) Assist in financing the establishment and continued development of technology-intensive businesses in Tennessee;

(6) Assist Tennessee entrepreneurial businesses in identifying ways to enhance productivity and market competitiveness through science and technology;

(7) Seek to secure State and other sources of funding to attract federal and other science and technology resources to the State.

(8) Advise universities of the research needs of Tennessee businesses and improve the exchange of scientific and technological information for the mutual benefit of universities and private businesses;

(9) Coordinate and facilitate programs established throughout the State to provide Tennessee businesses with scientific and technological information; and

(10) Provide financial assistance through contracts, grants and loans to programs of scientific and technological research and development.

SECTION 7. Debts incurred by the corporation under authority of this chapter do not represent or constitute a debt of the State within the meaning of the provisions of the Constitution of Tennessee or Tennessee Code Annotated.

SECTION 8. The certification by the Secretary of State pursuant to Section 3 of this act shall remain in effect until the General Assembly provides for termination of such certification.

SECTION 9. Any documentary materials or data made or received by any member or employee of the corporation to the extent that such material or data consists of trade secrets or commercial or financial information regarding the operation of any business conducted by an applicant for, or recipient of, any form of assistance which the corporation is empowered to render, or regarding the competitive position of such applicant in a particular field of endeavor, shall not be deemed public records and shall not be subject to the provisions of Title 10, Chapter 7; provided, that if the corporation purchases a qualified security from such applicant, the commercial and financial information, excluding trade secrets, shall be deemed to be a public record of the corporation and subject to the provisions of Title 10, Chapter 7, after the expiration of three (3) years from the date of purchase of such qualified security, or, in the case of such information being made or received by any member or employee of the corporation after the purchase of such qualified security, three (3) years from the date such information was made or received. Any discussion or consideration of such trade secrets or commercial or financial information, may be held by the board, or any subcommittee of the board, in executive sessions closed to the public. All applications (except the identity of the applicants) and supporting documentary materials or data, including personal financial records, trade secrets, commercial or financial information and proprietary information of applicants, and all executive sessions or portions thereof conducted by the board, or any subcommittee of the board, for the purpose of reviewing applications for assistance shall be confidential and exempt from the provisions of Title 8, Chapter 44.

SECTION 10. The Commissioner of Economic and Community Development shall be authorized to promulgate rules and regulations to effectuate the purposes of this act. All such rules and regulations shall be promulgated in accordance with the provisions of Tennessee Code Annotated, Title 4, Chapter 5.

SECTION 11. Tennessee Code Annotated, Section 4-29-220(a), is amended by adding a new item thereto, as follows:

() Tennessee Technology Development Corporation, created by Section 2 of this act;

SECTION 12. For the purposes of promulgating rules and regulations, this act shall take effect upon becoming a law, the public welfare requiring it. For all other purposes, this act shall take effect July 1, 1997.